

HOUSE COMMITTEE ON TRANSPORTATION

January 27, 1998 Hearing Room D

8:30 a.m. Tapes 7 - 8

MEMBERS PRESENT: Rep. Bob Montgomery, Chair

Rep. Mike Lehman, Vice-Chair

Rep. Richard Devlin

Rep. Jim Hill

Rep. Jeff Kropf

Rep. Jerry Krummel

Rep. Jane Lokan

Rep. Jackie Taylor

Rep. Vicki Walker

Rep. Larry Wells

STAFF PRESENT: Janet Adkins, Administrator

Brad Daniels, Administrative Support

MEASURE/ISSUES HEARD: HB 2478 PUBLIC HEARING

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 7, A		

007	Chair Montgomery	Opens meeting at 8:32 a.m.
018	Janet Adkins	Discusses the plans for a field trip on 2/5/99.
041	Kathy Thole	City of Grand Ronde. Testifies against the proposed realignment of Fort Hill road. Expresses concern about the effects of the Fort Hill project to local businesses. Notes the lack of communication between the Oregon Department of Transportation (ODOT) and local officials (EXHIBIT A).
078	Rep. Lehman	Asks where the project is located.
079	Thole	Responds that the Fort Hill project is on Highway 18.
082	Chair Montgomery	Expresses concern about restricting access to businesses. Notes that future legislation may speak directly to the problem of business access.
090	Thole	Discusses the logistics of the project and its negative effects on local businesses.
097	Chair Montgomery	Notes that more opportunities to testify on this specific issue and meet with the appropriate people will be available.
109	Thole	Reiterates her opposition to the Fort Hill project.
122	Chair Montgomery	Opens the public hearing on HB 2478
HB 2478 PUBLIC HEARING		
126	Adkins	Explains HB 2478 section by section: <ul style="list-style-type: none"> • Section 16Defines Statewide Transportation Improvement Program (STIP) for the first time in statute and a new concept, the Highway Construction Plan; • Section 36Requires Governor to submit a program budget; • Section 46Outlines the Highway Construction Plan requirements; • Section 56Specifies appropriation and expenditure limitation categories; • Sections 6, 7, 86Require more extensive cost reporting.
190	Rep. Lokan	District 25. Explains the purpose of HB 2478: to better understand the transportation budget and to ensure greater fiscal accountability. Summarizes the idea behind HB 2478: to provide "a performance-based, project-specific budget tool that clearly shows how funds are spent and how any proposed increased funds would be spent." Supports the bill as a tool to increase and improve communication between ODOT, the legislature and constituents.

240	Rep. Lokan	Commends ODOT's progress in providing specific information. Describes the purpose of HB 2478 and the Highway Construction Plan as an attempt to tie spending to the biennial budget. Expresses openness to amendments.
272	Rep. Hill	Reviews HB 2478 and asks if his summary is correct.
297	Rep. Lokan	Agrees with Rep. Hill's summary. Adds that an interim work group addressed the subject of porkbarreling. Notes that HB 2478, specifically Section 5 (2), is designed to protect against this practice.
317	Rep. Taylor	Expresses concern that projects will no longer be allowed to stand on their own merit or deserving projects will encounter difficulties.
332	Rep. Lokan	Indicates that Section 3 of the bill addresses emergency repairs and seeks to allow these repairs to continue under the new budget structure.
359	Rep. Krummel	Asks if HB 2478 only refers to the Highway Construction Plan.
365	Rep. Lokan	Replies yes.
367	Rep. Krummel	Asks if ODOT should budget only for projects that can be built or attained in the biennium.
381	Rep. Lokan	Responds that the costs for future planning will be included in the proposed budget plan. Stresses the purpose of connecting the budget for the biennium to the expenditures that will occur during the biennium.
394	Rep. Krummel	Asks if HB 2478 requires ODOT to budget for planning.
402	Rep. Lokan	Replies yes. Stresses that the approved budget should be tied to expenses.
415	Rep. Lehman	Asks if the transportation budget plan, as defined in HB 2478, will be presented to the entire legislative body.
423	Rep. Lokan	Replies yes. Notes that the idea is for the plan to be presented with the Governor's proposed budget.
425	Rep. Lehman	Asks if, under HB 2478, the budget plan will go to the Speaker of the House and the Senate President.
432	Rep. Lokan	Responds that the transportation plan will be an underlying part of the total

		budget.
440	Rep. Lehman	States his concern that ODOT's project schedule will be directed toward ensuring the support of certain legislative leaders. Asks if HB 2478 will prevent this from happening.
461	Rep. Lokan	Disagrees with Rep. Lehman's prognosis. Underscores that the bill is designed to produce a follow-up report to be disseminated to the Speaker and the appropriate committees
TAPE 8, A		
039	Rep. Lehman	Asks how the proposed plan will accommodate for projects that go over or under budget.
044	Rep. Lokan	Explains that ODOT would be required to report these projects and seek approval from the Emergency Board.
060	Rep. Lehman	Expresses concern that HB 2478 will not solve the problem of STIP accountability.
067	Rep. Lokan	Emphasizes that, at some point, there must be a certain measure of trust and communication between ODOT and the legislature.
074	Rep. Wells	Refers to Section 3 of the bill. Asks how the proposed program budget plan is different from the current budget structure.
088	Rep. Lokan	Responds that there is not a big difference; however, the bill does require a detailed program budget. Cites Section 3, subsection 2 of the bill. Notes that projected costs would be categorized.
107	Rep. Wells	Concludes that the bill seems to be in two parts: changes in the current budget and the implementation of the new Highway Construction Plan. Asks if his analysis of the bill is correct.
117	Rep. Lokan	Refers to Section 3, subsection 2 of the bill and its requirement for a more detailed budget. Explains that the Highway Construction Plan will act to identify the projects and costs.
131	Rep. Hill	Asks what the role of the Transportation Commission will be; what protects the legislature from changes in STIP projects that may be approved by the Emergency Board; and how conflicts between ODOT and Transportation Commission will be resolved. Asks if the Transportation Commission is even needed anymore.

156	Rep. Lokan	Explains that the Transportation Commission will still be involved the project process. Points to Section 6 as possible protection from changes in projects. Asks Rep. Hill to clarify his third question.
185	Rep. Hill	Relates his concern that, under this bill, ODOT will be accountable to both the legislature and the Transportation Commission, a potentially difficult situation.
198	Rep. Lokan	Explains that her intent was not to change any part of the public process
200	Rep. Hill	Asks if there would be a problem in giving the Transportation Commission the responsibility for creating the project list.
203	Rep. Lokan	Acknowledges that this idea is a possibility.
205	Rep. Krummel	Refers to Section 6, line 19 of the bill. Asks about the use of "may" and if the purpose of this terminology is to permit ODOT not to spend money or to direct ODOT not to spend money.
228	Rep. Lokan	Acknowledges that she will take it under consideration.
265	Grace Crunican	Director, ODOT. Discusses the history of the STIP and what projects are included in the STIP.
308	Rep. Wells	Asks Crunican to comment on the level of local input in the STIP.
310	Crunican	Replies that the local process is an extensive one. Discusses Area Commissions on Transportation (ACTS) and their function as public forums. Explains how projects are prioritized and placed in a draft STIP.
350	Rep. Wells	Cites Crunican's description of extensive local involvement and questions why none of this communication was evident in the Fort Hill project.
356	Crunican	Responds that a local community usually gets involved after a project is placed in STIP and designed. Notes that safety, business access and various other issues need to be balanced on every project
373	Rep. Hill	Refers to the Draft 2000-2003 STIP. Asks if the current draft would satisfy the requirements of HB 2478.
384	Crunican	Responds no. Discusses a photocopied portion of STIP and the specific budgetary subdivisions (EXHIBIT B).
416	Rep. Hill	Asks if ODOT is ready to do program-based budgeting. Refers to HB 2478 and asks if ODOT could fulfill the bill's requirements today.

441	Crunican	Explains that ODOT has defined three relevant areas of change: writing a readable STIP, enacting the true project cost initiative, and constructing a program-based budget.
TAPE 7, B		
036	Crunican	Emphasizes the increased detail in ODOT's new budget structure and the breakdown of specific costs (EXHIBIT C).
056	Rep. Hill	Asks how large the final STIP will be.
059	Crunican	Notes that the final STIP will be much larger than the Draft 2000-2003 STIP.
062	Chair Montgomery	Asks if ODOT is now moving toward a more detailed budget.
067	Crunican	Replies yes.
069	Rep. Lokan	Questions why 700 projects would appear in every quarterly report when the legislature is only looking for those that pertain to the biennium.
075	Crunican	Notes that ODOT has 500 projects underway currently, and the bill would require ODOT to report on all of these.
080	Rep. Lokan	Stresses that her intent is to have complete reports on projects that are being funded during the biennium. Asks if much of the pertinent budget information is already in the STIP.
092	Crunican	Explains the chronology of the STIP and how HB 2478 would affect the format of the STIP.
126	Rep. Hill	Asks if all funded projects, in the planning or the construction stage, are reported in the STIP.
135	Crunican	Responds that all projects are reported in the STIP. Stresses that, for both state and federal reasons, money must be accounted for in the STIP as soon as engineering begins.
146	Rep. Hill	Asks if there are any projects that are being funded, but are not reported in the STIP.
150	Crunican	Replies no. Explains that preliminary discussions or informal project sketches at the local level may not be represented, but, as soon as the project becomes official, it must be recorded in the STIP.

157	Rep. Lokan	Asks if items in the STIP cover contractor costs only and do not cover preliminary or indirect costs.
161	Crunican	Replies no. States that preliminary engineering, right of way and construction costs are reflected in the STIP. Notes the difference in the way preliminary engineering and planning is reported. Discusses efforts to improve the documentation of planning costs.
205	Rep. Lehman	Asks Crunican to document the complete chronology of a specific project, as an example, and report it to the committee on the Friday.
228	Rep. Lokan	Comments on the presence of planning or indirect costs in the STIP.
237	Rep. Kropf	Refers to the Fort Hill project cost (EXHIBIT B). Asks if the preliminary engineering cost of this project, \$107,000, should be considered the entire engineering cost.
263	Crunican	Responds that "PE" normally represents the total engineering on a project. Concedes that some additional engineering may be included in construction costs.
277	Rep. Kropf	Asks if additional engineering costs are placed under the construction category.
285	Doug Tindal	Maintenance Engineer, ODOT. Notes that preliminary engineering defines everything up to final plans, and anything past that point (any minor design changes, surveying, etc.) is documented in the construction portion of the STIP.
304	Rep. Kropf	Asks Crunican if HB 2478 gives ODOT the ability to address emergency situations.
330	Crunican	Replies that HB 2478 will present some difficulties, but not necessarily those that Rep. Kropf described. Relates an example from Port Orford that underlines how HB 2478 may hamper ODOT's ability to be innovative and opportunistic.
370	Crunican	Underscores that this project would not have been built as quickly, or at all, under the requirements of HB 2478. Emphasizes accountability as the key issue.
410	Rep. Devlin	Asks if Crunican foresees any problem with providing the information required by HB 2478 in a timely manner.
436	Crunican	Replies that she may need an extension or phase-in period in order to comply with HB 2478.
445	Rep. Devlin	Asks if Crunican foresees any problem in timing using the current process with Metropolitan Planning Organizations.

456	Crunican	Responds that coordinating with local governments may be difficult.
TAPE 8, B		
041	Susan Schneider	City of Portland. Supports the intent and direction of HB 2478. Expresses concern about the issue of local flexibility and her desire to be included in the work group.
059	Bill Penhollow	Association of Oregon Counties. Supports HB 2478. Stresses two areas of concern: emergencies and the inclusion of local projects in the STIP. Expresses confusion about whether the bill's requirements would apply to local projects that receive federal funding.
097	Chair Montgomery	Asks if the annual municipal audits of cities and counties include transportation funding.
106	Penhollow	Replies yes.
109	David Barenberg	League of Oregon Cities. Refers to Section 4, lines 22-23. States that, in his reading, the bill will exclude local projects. Expresses confusion about the prioritized list and if it is numerical or categorical.
128	Chair Montgomery	Asks Rep. Lokan to organize a work group on HB 2478. Closes the public hearing on HB 2478.
140	Rep. Hill	Notes the 48 hour requirement for LC amendments.
146	Chair Montgomery	Adjourns the meeting at 10:07 a.m.

Submitted By, Reviewed By,

Brad Daniels, Janet Adkins,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñWritten testimony and petition, Kathy Thole, 5 pp.

B ñFunding summary, Grace Crunican, 1 p.

C ñLetter, Grace Crunican, 12 pp.